

SAMPLE - PLACE ON BANK LETTERHEAD

County of Chesterfield
Environmental Engineering Department
P. O. Box 40
6806 W. Krause Road
Chesterfield, Virginia 23832

RE: Irrevocable Letter of Credit # _____
Date: _____

Gentlemen:

We hereby open our irrevocable letter of credit # _____ effective on _____ Date _____, in your favor for the account of _____ (Owner/Developer) (the "Customer"), for a sum not to exceed _____ (E. C. Bond Amount) available by your sight drafts on the _____ (Bank) Bank, _____ (Address of Bank) (the "Issuing Bank"). [This letter of credit must provide an address within the State of Virginia, and within the Central Virginia area if the Bank maintains offices there, where drafts and documents may be presented]

The purpose of this letter of credit is to furnish the County of Chesterfield ("County") with surety for the installation and maintenance of certain erosion and sediment control improvements (the "Improvements") as shown on a set of plans (the "Plans") prepared by _____ (Eng. Firm) dated _____ (Date), and any further revisions to the plans, whether made before or after the date of this irrevocable letter of credit for a certain development known as _____ (Subdivision/Commercial Site), _____ (Section), and drafts hereon shall be promptly honored when accompanied by documents specified below:

1. A certified statement signed by an official designated by the County stating that the Customer has not satisfactorily installed and maintained the Improvements as required by the Chesterfield County Erosion and Sediment Control Ordinance (the "Ordinance") and the Plans.
2. A certified statement signed by an official designated by the County to the effect that the drawing is for the explicit purpose of providing for the installation and/or maintenance of the Improvements pursuant to the Ordinance and the Plans.
3. All drafts must bear the clause drawn under the _____ (Bank) Bank, Letter of Credit # _____, dated _____.

We hereby engage with drawers, endorsers, and bona fide holders that all drafts drawn in compliance with the terms of this credit shall be duly honored upon presentation and delivery of the documents. This irrevocable letter of credit shall remain in full force and effect for an initial period of: (choose one)

1. One (1) year from the effective date of the letter of credit, ending at _____ a.m./p.m.

on _____; or

2. _____ days from the effective date of this letter of credit, ending at _____ a.m./p.m. on _____, which is the proposed completion date of the improvements.

This irrevocable letter of credit shall automatically renew itself from year to year thereafter unless and until the Issuing Bank gives ninety (90) days prior written notice to the Customer and to the County's Board of Supervisors, by certified mail, return receipt requested, of its intent to terminate the letter of credit at the expiration of the ninety-day period. During the last thirty (30) days during which the letter of credit is in full force and effect, the County may draw up to the full amount of the letter of credit when the draft is accompanied by a document certifying that (i) the Customer has not completed the Improvements and not provided the County with an acceptable substitute irrevocable letter of credit or (ii) the drawing is for the explicit purpose of guaranteeing and/or providing for the installation and/or maintenance of the required Improvements.

This irrevocable letter of credit shall terminate when the County's Environmental Engineer (or his appointed agent) provides the Issuing Bank with a written release stating that the Customer has completed and maintained the Improvements as required by the Ordinance and the Plans.

This irrevocable letter of credit is non-transferable or assignable by the Issuing Bank, County or Customer.

This irrevocable letter of credit shall be construed according to the "Uniform Customs and Practices for Documentary Credits," promulgated by the XIII Congress of the International Chamber of Commerce (International Chamber of Commerce Publication No. 500, 1993 Revision) and the provisions of the Uniform Commercial Code - Letters of Credit, Title 8.5 of the Code of Virginia, 1950, as amended.

Very truly yours,

By: _____

Title: _____
(President or Vice-President)